



General Assembly

**Substitute Bill No. 820**

January Session, 2013



**AN ACT CONCERNING THE INTEREST RATE ON DELINQUENT  
PROPERTY TAXES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-145 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2013, and*  
3 *applicable to assessment years commencing on or after said date*):

4 The tax collector of each municipality shall, at least five days next  
5 preceding the time when each tax becomes due and payable, give  
6 notice of the time and place at which the tax collector will receive such  
7 tax by advertising in a newspaper published in such municipality or, if  
8 no newspaper is published in such municipality, by advertising in any  
9 newspaper of the state having a general circulation in such  
10 municipality and by posting such notice on a signpost therein, if any,  
11 otherwise on a signpost in the town within which such municipality is  
12 situated, if any, or at some other exterior place near the office of the  
13 town clerk. The tax collector shall repeat such advertising within one  
14 week after such tax has become due and payable and, again, at least  
15 five days before such tax becomes delinquent. Each such notice shall  
16 give each date on which such tax shall become due and payable and  
17 each date on which such tax shall become delinquent, and shall state  
18 that, as soon as such tax becomes delinquent, it shall be subject to  
19 interest [at the rate of one and one-half per cent of such tax for each

20 month or fraction thereof which elapses] from the time when such tax  
21 becomes due and payable until the same is paid. Such notice shall  
22 further state the rate at which any delinquent tax shall accrue interest.  
23 The tax collector of a municipality may waive the interest on  
24 delinquent property taxes if the tax collector and the assessor, jointly,  
25 determine that the delinquency is attributable to an error by the tax  
26 assessor or tax collector and is not the result of any action or failure on  
27 the part of the taxpayer. The tax collector shall notify the taxing  
28 authority of the municipality of all waivers granted pursuant to this  
29 section.

30 Sec. 2. Section 12-146 of the general statutes is repealed and the  
31 following is substituted in lieu thereof (*Effective October 1, 2013, and*  
32 *applicable to assessment years commencing on or after said date*):

33 Unless the context otherwise requires, wherever used in this section,  
34 "tax" includes each property tax and each installment and part thereof  
35 due to a municipality as it may have been increased by interest, fees  
36 and charges. If any tax due in a single installment or if any installment  
37 of any tax due in two or more installments is not paid in full (1) on or  
38 before the first day of the month next succeeding the month in which it  
39 became due and payable, or if not due and payable on the first day of  
40 the month, (2) on or before the same date of the next succeeding month  
41 corresponding to that of the month on which it became due and  
42 payable, the whole or such part of such installment as is unpaid shall  
43 thereupon be delinquent and shall be subject to interest from the due  
44 date of such delinquent installment. Except for unpaid real estate taxes  
45 the collection of which was, or is, deferred under the provisions of  
46 section 12-174, and any predecessor and successor thereto, which  
47 unpaid real estate taxes continue to be subject to the provisions of such  
48 deferred collection statutes, and except for any taxes due in a  
49 municipality that has adopted the provisions of section 3 of this act,  
50 the delinquent portion of the principal of any tax shall be subject to  
51 interest at the rate of eighteen per cent per annum from the time when  
52 it became due and payable until the same is paid, subject to a

53 minimum interest charge of two dollars which any municipality, by  
54 vote of its legislative body, may elect not to impose, [and] provided, in  
55 any computation of such interest, under any provision of this section  
56 or section 3 of this act, each fractional part of a month in which any  
57 portion of the principal of such tax remains unpaid shall be considered  
58 to be equivalent to a whole month. Each addition of interest shall  
59 become, and shall be collectible as, a part of such tax. Interest shall  
60 accrue at said rate until payment of such taxes due notwithstanding  
61 the entry of any judgment in favor of the municipality against the  
62 taxpayer or the property of the taxpayer. Except as hereinafter  
63 specified for taxes representing two or more items of property, the  
64 collector shall not receive any partial payment of a delinquent tax  
65 which is less than the total accrued interest on the principal of such tax  
66 up to the date of payment and shall apply each partial payment to the  
67 wiping out of such interest before making any application thereof to  
68 the reduction of such principal; provided, whenever the first partial  
69 payment is made after delinquency, interest from the due date of such  
70 delinquent tax to the date of such partial payment shall be figured on  
71 the whole or such part of the principal of such tax as is unpaid at the  
72 beginning of delinquency and provided, whenever a subsequent  
73 partial payment of such tax is made, interest shall be figured from the  
74 date of payment of the last-preceding, to the date of payment of such  
75 subsequent, partial payment on the whole or such balance of the  
76 principal of such tax as remains unpaid on the date of the last-  
77 preceding partial payment. If any tax, at the time of assessment or  
78 because of a subsequent division, represents two or more items of  
79 property, the collector may receive payment in full of such part of the  
80 principal and interest of such tax as represents one or more of such  
81 items, even though interest in full on the entire amount of the principal  
82 of such tax has not been received up to the date of such payment; in  
83 which event, interest on the remaining portion of the principal of any  
84 such tax shall be computed, as the case may be, from the due date of  
85 such tax if no other payment after delinquency has been made or from  
86 the last date of payment of interest in full on the whole amount or  
87 unpaid balance of the principal of such delinquent tax if previous

88 payment of interest has been made. Each collector shall keep a separate  
89 account of such interest and the time when the same has been received  
90 and shall pay over the same to the treasurer of the municipality of the  
91 collector as a part of such tax. No tax or installment thereof shall be  
92 construed to be delinquent under the provisions of this section if the  
93 envelope containing the amount due as such tax or installment, as  
94 received by the tax collector of the municipality to which such tax is  
95 payable, bears a postmark showing a date within the time allowed by  
96 statute for the payment of such tax or installment. Any municipality  
97 may, by vote of its legislative body, require that any delinquent  
98 property taxes applicable with respect to a motor vehicle shall be paid  
99 only in cash or by certified check or money order. Any municipality  
100 adopting such requirement may provide that such requirement shall  
101 only be applicable to delinquency exceeding a certain period in  
102 duration as determined by such municipality. Any municipality shall  
103 waive all or a portion of the interest due and payable under this  
104 section on a delinquent tax with respect to a taxpayer who has  
105 received compensation under chapter 968 as a crime victim.

106       Sec. 3. (NEW) (*Effective October 1, 2013, and applicable to assessment*  
107 *years commencing on or after said date*) Any municipality may, by a vote  
108 of its legislative body or, where the legislative body is a town meeting,  
109 by a vote of its board of selectmen or its town council, elect to subject  
110 the delinquent portion of the principal of any property tax to an  
111 interest rate of twelve per cent per annum from the time when such tax  
112 became due and payable until the same is paid. Such interest shall be  
113 calculated and collected in accordance with the provisions of section  
114 12-146 of the general statutes, as amended by this act.

115       Sec. 4. Subsection (b) of section 12-80a of the general statutes is  
116 repealed and the following is substituted in lieu thereof (*Effective*  
117 *October 1, 2013, and applicable to assessment years commencing on or after*  
118 *said date*):

119       (b) (1) Not later than the first day of February immediately  
120 following the end of such tax year, the Secretary of the Office of Policy

121 and Management shall determine, with respect to such company, a  
122 value for personal property equivalent to seventy per cent of the value  
123 of personal property included in the list of such property prepared and  
124 certified in accordance with subsection (a) of this section. The amount  
125 of tax applicable with respect to such personal property of any  
126 taxpayer subject to the tax imposed under this section shall be  
127 determined by multiplying the value of personal property of such  
128 company, as determined under this subsection, by a mill rate of forty-  
129 seven mills. Said secretary shall, not later than the first day of March  
130 immediately following the end of such tax year, submit a tax bill to  
131 each company stating the amount of tax payable to each town in  
132 relation to the personal property of such taxpayer located in such  
133 town. Such tax shall be due and payable to the town in which such  
134 personal property is located not later than the first day of April  
135 immediately following. Any city or borough not consolidated with the  
136 town in which it is located and any town containing such a city or  
137 borough shall receive a portion of the tax due and payable to such  
138 town on the basis of the following ratio: The total taxes levied in the  
139 previous fiscal year by such town, city or borough shall be the  
140 numerator of the fraction. The total taxes levied by the town and all  
141 cities or boroughs located within such town shall be added together,  
142 and the sum shall be the denominator of the fraction. Any such city or  
143 borough may, by vote of its legislative body, direct the Secretary of the  
144 Office of Policy and Management to reallocate all or a portion of the  
145 share of such city or borough to the town in which it is located.

146 (2) The person responsible for the collection of taxes for each town,  
147 city or borough owed taxes under this subsection may, at such time as  
148 such tax becomes delinquent as provided in sections 12-146 and 12-  
149 169, subject such tax to interest [at the rate of one and one-half per cent  
150 of such tax for each month or fraction thereof which elapses from the  
151 time when such tax becomes due and payable until the same is paid] in  
152 accordance with the provisions of section 12-146, as amended by this  
153 act.

154 Sec. 5. Subsection (f) of section 12-157 of the general statutes is  
155 repealed and the following is substituted in lieu thereof (*Effective*  
156 *October 1, 2013, and applicable to assessment years commencing on or after*  
157 *said date*):

158 (f) Within sixty days after such sale, the collector shall cause to be  
159 published in a newspaper having a daily general circulation in the  
160 town in which the real property is located, and shall send by certified  
161 mail, return receipt requested, to the delinquent taxpayer and each  
162 mortgagee, lienholder and other record encumbrancer whose interest  
163 in such property is affected by such sale, a notice stating the date of the  
164 sale, the name and address of the purchaser, the amount the purchaser  
165 paid for the property and the date the redemption period will expire.  
166 The notice shall include a statement that if redemption does not take  
167 place by the date stated and in the manner provided by law, the  
168 delinquent taxpayer, and all mortgagees, lienholders and other record  
169 encumbrancers who have received actual or constructive notice of such  
170 sale as provided by law, that their respective titles, mortgages, liens  
171 and other encumbrances in such property shall be extinguished. Not  
172 later than six months after the date of the sale or within sixty days if  
173 the property was abandoned or meets other conditions established by  
174 ordinance adopted by the legislative body of the town, if the  
175 delinquent taxpayer, mortgagee, lienholder or other record  
176 encumbrancer whose interest in the property will be affected by such  
177 sale, pays or tenders to the collector, the amount of taxes, interest and  
178 charges which were due and owing at the time of the sale together  
179 with interest on the total purchase price paid by the purchaser at the  
180 rate of eighteen per cent per annum from the date of such sale, or  
181 twelve per cent per annum from the date of such sale in a municipality  
182 that has adopted the provisions of section 3 of this act, such deed,  
183 executed pursuant to subsection (e) of this section, shall be delivered to  
184 the collector by the town clerk for cancellation and the collector shall  
185 provide a certificate of satisfaction to the person paying or tendering  
186 the money who, if not the person whose primary duty it was to pay  
187 the tax or taxes, shall have a claim against the person whose primary

188 duty it was to pay such tax or taxes for the amount so paid, and may  
 189 add the same to any claim for which he has security upon the property  
 190 sold, provided the certificate of satisfaction is recorded on the land  
 191 records but the interests of other persons in the property shall not be  
 192 affected. Within ten days of receipt of such amounts in redemption of  
 193 the levied property, the collector shall notify the purchaser by certified  
 194 mail, return receipt requested, that the property has been redeemed  
 195 and shall tender such payment, together with the amount held  
 196 pursuant to subparagraph (A) of subdivision (1) of subsection (i) of  
 197 this section, if any, to the purchaser. If the purchase money and  
 198 interest are not paid within such redemption period, the deed shall be  
 199 recorded and have full effect.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2013, and applicable to assessment years commencing on or after said date</i>	12-145
Sec. 2	<i>October 1, 2013, and applicable to assessment years commencing on or after said date</i>	12-146
Sec. 3	<i>October 1, 2013, and applicable to assessment years commencing on or after said date</i>	New section
Sec. 4	<i>October 1, 2013, and applicable to assessment years commencing on or after said date</i>	12-80a(b)
Sec. 5	<i>October 1, 2013, and applicable to assessment years commencing on or after said date</i>	12-157(f)

**PD** Joint Favorable Subst.